

Fiscal Note

State of Alaska
2018 Legislative Session

Bill Version:	CSSB 105(L&C)
Fiscal Note Number:	2
(S) Publish Date:	2/9/2018

Identifier: SB105-DHSS-BHMS-2-3-18
Title: MARITAL & FAMILY THERAPY LIC. & SERVICES
Sponsor: WILSON
Requester: Senate LC

Department: Department of Health and Social Services
Appropriation: Medicaid Services
Allocation: Behavioral Health Medicaid Services
OMB Component Number: 2660

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

(Thousands of Dollars)

	FY2019 Appropriation Requested	Included in Governor's FY2019 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2019	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Personal Services							
Travel							
Services	50.0						
Commodities							
Capital Outlay							
Grants & Benefits			1,000.8	1,000.8	1,000.8	1,000.8	1,000.8
Miscellaneous							
Total Operating	50.0	0.0	1,000.8	1,000.8	1,000.8	1,000.8	1,000.8

Fund Source (Operating Only)

1002 Fed Rcpts (Fed)	25.0		660.5	660.5	660.5	660.5	660.5
1003 G/F Match (UGF)	25.0		340.3	340.3	340.3	340.3	340.3
Total	50.0	0.0	1,000.8	1,000.8	1,000.8	1,000.8	1,000.8

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2018) cost: 0.0 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2019) cost: 0.0 (separate capital appropriation required)
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? yes
If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/19

Why this fiscal note differs from previous version/comments:

Not applicable; initial version.

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Agency: Health and Social Services

Phone: (907)269-5948
Date: 02/03/2018 10:30 AM
Date: 02/03/18

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2018 LEGISLATIVE SESSION

Analysis

SB 105, Version D, amends requirements for marital and family therapists to obtain licenses; lists professions that may perform group supervision for marital and family therapist applicants; defines direct supervision, mental health physician clinic, and psychiatrist for purposes of the marital and family therapist statutes; and adds marital and family services to the optional list of services that may be reimbursed through Medicaid. This fiscal note reflects the fact that licensed marriage and family therapist services have been added to the AS 47.07.030 list of Medicaid optional services for which the State will reimburse. The projected expenditures represent the Medicaid reimbursement for professional services provided by licensed marriage and family therapists to persons eligible for Medicaid services, whether children or adults, including the Medicaid Expansion population.

In the present version, the bill has a January 1, 2018 effective date, which we assume will be updated in a revised version, perhaps to January 1, 2019 so that the department has time to make the estimated Medicaid system, administrative regulation, and Medicaid State Plan Amendment changes. The associated regulations contemplated by the legislation are to be adopted by July 1, 2018 (FY2019), but this date should be set back beyond the effective date of the bill itself. If the effective date is set for July 1, 2018, for example, that would have an impact on the content of this fiscal note for SFY19 and the department would need to submit a revised fiscal note request.

FY2019 General Fund Match in the Services Line: \$50.0 for development of business rules in the Medicaid Management Information System detailing the parameters for services/reimbursement.

FY2020 - FY2024 Federal Receipts and General Fund Match in the Grants, Benefits line:

Average annual per recipient cost X estimated number of recipients = Medicaid increment needed

\$1,581 annual per recipient cost X 633 recipients = \$1,000,773

The **\$1,581** average annual per recipient cost is based on FY2016 Medicaid claims data for those recipients receiving Mental Health Only services. *[Currently, Behavioral Health Medicaid reimburses an hour of clinic (counseling/therapy) services at \$100.00, family clinic services at \$110.00 per hour, and group clinic services at \$56.00 per hour, regardless of the category of the professional providing that service.]*

The estimated number of recipients is derived from two data sources:

- FY2016 Medicaid prevalence data (which indicates the number of unserved recipients who would benefit from behavioral health services): **6,330**
- 2011 National Survey for Drug Use and Health data (which estimates the percentage of unserved recipients that will actually seek treatment in any given year): **10%**

6,330 x 10% = 633 estimated recipients

Total General Funds Match request:

\$1,000,773	Medicaid Mental Health Only
X 34.0%	(blended match rate resulting from regular and Expansion population)
\$ 340,263	General Funds Match

There are presently just under 100 LMFTs in the State with an active license, and some of those professionals are already billing for their services under the umbrella of a mental health physician clinic. Therefore, we are unsure of the number of LMFTs who will be interested in beginning to *independently* bill Medicaid, subjecting their practices to the documentation and audit requirements that follow on enrollment in Medicaid as an independent provider.

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BILL NO. SB105

Analysis

These cost projections are based on Medicaid utilization, and could be higher or lower, depending on the demand for licensed marital and family therapy (LMFT) services from patients with other payment sources, like private insurance, and the willingness of LMFTs to provide services to Medicaid-eligible individuals.